

Message Text

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PAGE 01 SAN JO 04577 222123Z

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ACTION ARA-10

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FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC IMMEDIATE 5143

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FOR SHLAUDEMAN AND KATZ FROM THE AMBASSADOR

E.O. 11652: N/A

TAGS: EPAP, NU, HO, CS

SUBJECT: 1976 MEAT IMPORT PROGRAM

1. TOP LEVEL MEAT INDUSTRY REPRESENTATIVES CALLED ON ME TODAY AT THEIR REQUEST TO ASK THAT SOMETHING BE DONE TO PREVENT LARGE LOSSES THEY ARE FACING ON FRESH MEAT THAT WAS IN TRANSIT WHEN THE US MARKET WAS CLOSED TO COSTA RICAN MEAT. REPS. SAID THAT MEAT REACHING US PORTS ON SEPT. 17 WAS NOT PERMITTED ENTRY BECAUSE CUSTOMS SAID THAT QUOTA HAD BEEN FILLED. WHILE REPS. ARE NOW RESIGNED TO FACT THAT THERE WILL BE NO INCREASE IN QUOTA THIS YEAR, THEY WANT TO REQUEST THAT SPECIAL CONSIDERATION BE GIVEN TO THE FRESH MEAT IN THE PIPELINE AT THE TIME THE MARKET WAS CLOSED. FROZEN MEAT IN THE PIPELINE CAN BE STORED IN BOND UNTIL NEXT JANUARY, BUT MEAT THAT WAS SHIPPED FRESH CANNOT NOW BE FROZEN FOR STORAGE WITHOUT GREAT LOSS OF QUALITY AND VALUE. FREEZING AND STORAGE OF FRESH BEEF WOULD CAUSE A GREAT FINANCIAL LOSS AS THIS MEAT WILL BE WORTH ONLY ONE HALF OF ITS PRESENT VALUE AFTER IT IS FROZEN.

A TOTAL OF 19 CONTAINERS OF FRESH MEAT (ABOUT 760 THOUSAND POUNDS) WITH AN APPROXIMATE VALUE OF \$1.00/LB. HAVE BEEN CAUGHT IN TRANSIT AT US PORTS, AFTER CLOSING OF QUOTA. MOST OF THE MEAT WAS SHIPPED FROM CR BEFORE THE 204 ACTION WAS TAKEN AND ALL OF IT WAS SHIPPED DURING A PERIOD WHEN NEITHER THE US NOR COSTA RICAN AUTHORITIES

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PAGE 02 SAN JO 04577 222123Z

WERE ABLE TO PROVIDE PRECISE DATA THAT WOULD HAVE EN-

ABLED COSTA RICAN MEAT PACKERS TO AVOID OVERSHIPMENT.

2. I EXPLAINED TO THE COSTA RICAN MEAT INDUSTRY REPRESENTATIVES HOW OUR MEAT PROGRAM WORKS AND THE AUTOMATIC ACTION OF THE CUT-OFF UNDER THE SECTION 204 PROCEDURE. I ALSO EMPHASIZED THE FULL UNDERSTANDING THAT WE HAVE OF COSTA RICA'S DIFFICULT MEAT SITUATION AND MENTIONED THE EFFORTS THAT HAD BEEN MADE BY EVERYONE CONCERNED TO FIND SOME SOLUTION. I PROMISED I WOULD INFORM THE DEPARTMENT OF THE DIFFICULT PROBLEM OF FRESH MEAT CAUGHT IN US PORTS AND ASK WHETHER ANYTHING CAN BE DONE TO HELP.

3. WHILE I DID NOT ENCOURAGE THE MEAT PACKERS TO EXPECT A FAVORABLE RESOLUTION OF THEIR PROBLEM I THINK THAT THERE ARE A NUMBER OF CIRCUMSTANCES THAT SUGGEST THAT WE SHOULD FIND SOME WAY TO BE HELPFUL. SUCH FACTORS WOULD INCLUDE:

-THE BRIEF INTERVAL BETWEEN CONSULTATIONS AND 204 ACTION AND THE ACTUAL CLOSING OF THE MARKET.

-OUR INABILITY TO PROVIDE THE DATA, PROMISED BY MR. TAYLOR IN THE CONSULTATION, ON THE VOLUME OF COSTA RICAN MEAT THAT HAD ARRIVED IN THE US BUT HAD NOT YET CLEARED CUSTOMS.

-THE CONSEQUENT INABILITY OF THE COSTA RICANS TO REGULATE THEIR SHIPMENTS TO AVOID THE PROBLEM

-THE FACT THAT IN THE ABSENCE OF ACCURATE DATA, COSTA RICAN'S SHIPPED THIS MEAT IN GOOD FAITH AFTER CALCULATING ON THE BASIS OF THE BEST AVAILABLE DATA THAT IT WOULD BE ADMISSIBLE WITHIN THE ALLOCATION.

-THE FACT, STRESSED BY THE C. R. REPS. IN THEIR MEETING WITH ME, THAT UNLIKE AUSTRALIA, COSTA RICA HAS NOT ENGAGED IN SUBTERFUGE AND HAS NOT SHIPPED MEAT THRU 3RD COUNTRIES AND OTHER LOOPHOLES, BUT HAS COOPERATED FULLY AND OPENLY WITH US MEAT PROGRAM.

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PAGE 03 SAN JO 04577 222123Z

-THE FACT THAT WHEN 204 ACTION WAS TAKEN AGAINST AUSTRALIA LAST YEAR AN EXCEPTION WAS MADE FOR MEAT IN TRANSIT,

-THE UNFORTUNATE SERIES OF DISAPPOINTMENTS THAT THE COSTA RICAN MEAT INDUSTRY HAS ALREADY SUFFERED THIS YEAR AS A RESULT OF OUR INABILITY TO DELIVER ON WHAT THEY HAD THOUGHT WERE COMMITMENTS.

4. TAKING INTO ACCOUNT ALL OF THE FOREGOING FACTORS, I WOULD STRONGLY URGE THAT WE FIND SOME WAY TO GIVE COSTA RICA A WAIVER ON FRESH MEAT THAT HAS BEEN CAUGHT IN US PORTS. NOT TO DO SO COULD ONLY APPEAR TO MAKE US HARSH, RIGID, AND UNWILLING TO ACCOMMODATE OUR SYSTEM TO UNAVOIDABLE AND UNFORSEEABLE CIRCUMSTANCES.

5. SINCE FRESH MEAT IS INVOLVED, PACKERS NEED TO KNOW U.S. DECISION SOONEST. WOULD THEREFORE APPRECIATE REPLY BY IMMEDIATE CABLE.
TODMAN

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